

# Discretionary Managed Portfolio Service

## Strategic Model

**April 2023**

### Key information

#### Model details

Launch date	1 October 2011
Minimum initial investment	£1,000
Rebalancing strategy (minimum)	Quarterly
Currency	£ GBP
Annual management charge	0.50%*
Ongoing charges figure ('OCF')	0.53%
Annual yield (current)	2.74%

\*Not including platform fees  
Source: FE Analytics as at 30.04.23

#### Investment update - April

After a volatile first quarter for markets, April has proved to be a quieter month. Inflation and the likely path of central bank policy remains the key driver of markets. While a significant step down in UK inflation is expected, the UK continues to face more acute inflationary pressures than almost any other developed country. Rising food and drink prices are currently weighing heavily on the UK, as is continued strong wage growth, which is impacting the services sectors in particular. Resilience in the corporate sector and reduced fears around recessions are also providing support to credit and higher risk areas of fixed income markets. Our base case remains for inflation to fall to more comfortable levels for central banks over the course of this year, potentially allowing them to loosen policy into 2024. Our view remains that recessions this year, where seen, will be relatively mild and that 2024 will bring quite a strong recovery in both economic and earnings growth. Given that valuations do not look stretched this backdrop leads us to favour equities as the asset class most likely to provide the strongest real returns on a medium-term view. Therefore, the strategy remains at the upper end of its corresponding Dynamic Planner risk profile. We have biased exposure towards the US and Asia, which we expect to provide the strongest and most resilient growth profile going forward. We are also retaining targeted exposure to infrastructure and sustainable energy, which we believe provide the prospect of superior earnings growth. Numerous potential risks to markets do remain, and so we continue to believe that low risk, uncorrelated alternatives funds have an important role to play in strategies.

#### Discretionary Managed Portfolio Service

The service consists of six actively managed investment models, offering lower cost access to our discretionary fund management capabilities, through the combination of active and passive collective investments. The service provides a solution that, when cost considerations are paramount, does not compromise on quality. Investment models are monitored by our central Investment Committee to ensure consistency of performance from one portfolio to another.

#### Investment objective

To preserve capital in real (inflation-adjusted) terms over the medium to longer term. Investors should expect low levels of reward and a low correlation to stock market behaviour, including modest fluctuations in values.

#### Risk profile

The model is managed in accordance with Dynamic Planner risk profile 3 (Low), with the model's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.

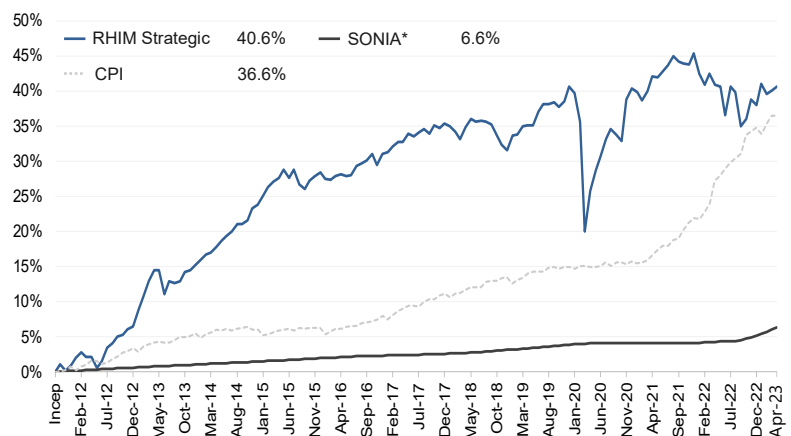
#### Discrete performance

	YTD	2022	2021	2020	2019	2018
RHIM Strategic	1.9%	-5.1%	3.5%	-0.1%	6.9%	-2.9%
SONIA*	1.2%	1.1%	0.1%	0.2%	0.7%	0.6%
CPI	1.3%	10.5%	5.4%	0.7%	1.3%	2.1%

#### Cumulative performance

	1yr	3yr	5yr	10yr
RHIM Strategic	-0.2%	11.8%	4.3%	22.8%

#### Inception performance



#### Annualised performance since inception

	Inception
RHIM Strategic	3.0%
SONIA*	0.6%
CPI	2.7%

\*Sterling Overnight Index Average.  
Source: FE Analytics and Morningstar as at 30.04.23. Inception from 01.10.11.  
RHIM performance is net of fund charges, but does not include RHIM discretionary management fees, nor fees that may be incurred through your financial adviser.  
Past performance is not a guide to future results. See full risk warning overleaf.

## About Richmond House

We launched our discretionary management service in 2006, and have navigated the portfolios through good times and bad. We're proud to say that we've protected our clients' capital and today we have around £200 million of funds under management.

We focus on both actively managed funds and lower cost passive funds where appropriate, taking a sensible approach and always maintaining our awareness of downside risks. Adopting a global view, we continually identify where the risks and opportunities lie.

We offer a range of model portfolios, and the discretionary powers of our specialist team allow us to make alterations to these quickly and efficiently. Each portfolio typically holds between 25 and 30 funds selected from the whole of the market, ensuring diversification across asset classes, countries and sectors.

We conduct our own fund research using specialist tools such as Morningstar, but we also take the opportunity to meet fund managers regularly face-to-face to ensure each fund continues to meet its objectives and remains appropriate to our clients' needs.

## Contact Richmond House

For further information on this model please contact us:

t: 0333 241 3350

e: [info@richmondhouseim.co.uk](mailto:info@richmondhouseim.co.uk)

Premier House  
Argyle Way  
Stevenage  
Hertfordshire  
SG1 2AD

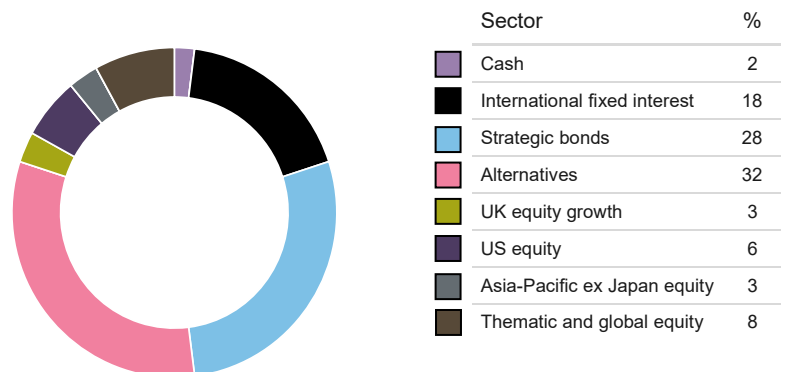
## Headline asset allocation and positioning

Summary of current Investment Committee positioning

	UW (-)	N (=)	OW (+)	Key
Fixed interest		■		<b>■</b> Current <b>UW (-)</b> Underweight <b>N (=)</b> Neutral <b>OW (+)</b> Overweight
Equities			■	
Property	■			
Alternative investments		■		
Cash	■			

- The strategies remain at the upper end of their corresponding Dynamic Planner risk profiles with good exposure to those parts of the world less likely to be exposed to the economic fall-out from war in Ukraine.
- We have reduced or removed entirely our exposure to Europe and increased our allocation to Asia-Pacific ex Japan, where fundamentals and valuations look fairly attractive, and policy is more supportive for risk assets.
- In our lower risk strategies, we continue to allocate to inflation-linked bond funds, actively managed strategic bond funds and 'market neutral' alternative investments, which continue to act as good portfolio stabilisers, diversifiers of risk and sources of return.
- Cash exposure remains low and there continues to be focus on high levels of liquidity in everything that we own.

## Model asset allocation



Active/Passive split	%
Active funds	76
Passive funds	24

## Top 10 holdings

Holding	%	Holding	%
Vanguard Global Bond Index	10	BlackRock Absolute Return Bond	6
Artemis Target Return Bond	9	HSBC American Index	6
Fidelity Strategic Bond	8	Janus Henderson Absolute Return	6
Schroder Strategic Bond	8	TwentyFour Absolute Return Credit	6
Janus Henderson Strategic Bond	7	BNY Mellon Global Dynamic Bond	5

As at 30.04.23

This document is issued and approved by Richmond House Investment Management Limited.

Past performance should not be seen as an indication of future performance. The price of shares/units and income from them may fall as well as rise and is not guaranteed. The models used are typical of portfolios managed by Richmond House Investment Management. Your actual portfolio may differ depending on your individual circumstances. Please note that the calculated OCF from FE Analytics may vary from that stated by your chosen platform provider.

Richmond House Investment Management Limited (No 114563) is authorised and regulated by the Financial Conduct Authority Registered in England at Premier House, Argyle Way, Stevenage, Herts, SG1 2AD. Tel 0333 2413350.